



STATE BOARD OF
EQUALIZATION



SPECIAL TAXES
DEPARTMENT



EXCISE TAXES
DIVISION



INFORMATION
CENTER
800-400-7115

*From a telephone
device for the deaf*

TDD phone:
800-735-2929

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800-735-2922

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<http://www.boe.ca.gov>



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ALCOHOLIC BEVERAGE TAX

This publication is designed to provide sellers, manufacturers, and importers of alcoholic beverages with general information about California's Alcoholic Beverage Tax Program. If you have questions that are not answered in this publication, please contact a Board representative at the telephone number shown in the left column.

What is the alcoholic beverage tax?

The alcoholic beverage tax is a per-gallon excise tax collected on the sale, distribution, or importation of alcoholic beverages in California. Revenues from the tax are deposited into the Alcohol Beverage Control Fund and are withdrawn for use by the state's General Fund or used to pay refunds under this program.

Who is required to register?

In general, if you are required to obtain one of the following licenses issued by the Department of Alcoholic Beverage Control (ABC):

- Manufacturer
- Winegrower
- Wine Blender
- Distilled spirits manufacturer's agent
- Rectifier
- Wholesaler
- Importer
- Customs broker
- On sale general brew pub

you are also required to register with the Board of Equalization.

If you apply to the ABC for one of the above licenses, we will be notified of your application and will mail you a registration packet to complete.

Common carriers, other than railroads and steamship companies, must also register with the Board of Equalization in order to transport alcoholic beverages into this state.

All registered taxpayers must post a minimum \$500 security with the Board of Equalization prior to the issuance of an Alcoholic Beverage Tax license.

What are the tax filing requirements?

All registered taxpayers, other than common carriers, must file a tax return on or before the 15th of the month following the period covered by the return. Common carriers must file a tax return on or before the first day of the second month following the monthly period. Returns must be filed even if taxes are not due for the reporting period.

A duplicate of the return should be kept on the licensed premises for verification by Board auditors.

Penalties:

- Sending a late tax return form

The penalty for filing a late return (including returns for which no tax was due) is \$50 or 10 percent of the amount of tax due, whichever is greater. Late filers must include payment for the penalty and interest with their tax return.

- Sending a late payment

The penalty for late payment of tax is 10% (.10) of the amount due. If you make a late payment, you must include the tax owed, the penalty and interest.

How is the tax applied?

Beer and wine. The excise tax on beer and wine is generally paid by manufacturers, wine growers, and importers. Sellers of beer and wine must pay the excise tax if the tax was not paid by the manufacturers, wine growers, or importers.

Distilled spirits. In general, the excise tax on distilled spirits is paid by distilled spirits wholesalers based on sales to in-state

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retailers. Sellers of distilled spirits must pay the excise tax if the tax was not paid by the wholesaler.

What is the tax rate?

<i>Beverage</i>	<i>Rate Per Gallon</i>
Distilled Spirits (100 proof or less)	\$3.30
Distilled Spirits (over 100 proof)	\$6.60
Beer	\$.20
Wine	\$.20
Sparkling hard cider	\$.20
Champagne and sparkling wine	\$.30

General Exemptions

The following are exempt from tax:

- Sales of alcohol, distilled spirits, or wine for use in trades, professions, or for industrial purposes, and not for beverage purposes. These must be sold in packages larger than one gallon
- Sales of distilled spirits to registered common carriers that are required to report and pay the alcoholic beverage tax
- Distilled spirits sold for export and actually exported
- Sales or transfers of distilled spirits between distilled spirits wholesalers
- Beer and wine imported into the United States (as prescribed by federal laws) in bulk containers withdrawn from customs custody and transferred to the premises of a bonded brewery or bonded wine cellar

Tax Credits

Tax credits are allowed for:

- Beer or wine exported outside California
- Board-authorized destruction of spoiled beer or wine

Note

This pamphlet summarizes the law and applicable regulations in effect as of the date on the cover. However, changes in the law or in regulations may have occurred since that time. If there is a conflict between the statements in this pamphlet and the law, the law is controlling.

Where should records be maintained?

All records must be maintained at the licensed premises of the taxpayer, unless permission has been granted by the Board to keep the records at another location.

To Register or Obtain More Information

If you have questions regarding this program or need to register with the Board, please contact the Excise Taxes Division at the following address:

State Board of Equalization
Excise Taxes Division, MIC:56
PO Box 942879
Sacramento, CA 94279-0056
Telephone: 800-400-7115
Fax: 916-323-9297



Taxpayers' Rights Advocate

If you are unable to resolve a disagreement with the Board, or if you would like to know more about your rights under the Alcoholic Beverage Tax Law, please contact the Taxpayers' Rights Advocate office for assistance.

State Board of Equalization
Taxpayers' Rights Advocate, MIC:70
PO Box 942879
Sacramento, CA 94279-0070
Telephone: 916-324-2798
Toll Free: 888-324-2798
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The alcoholic
beverage tax
applies to
wholesalers,
importers,
manufacturers,
and certain
common
carriers.
